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Korea - Republic of

GRAIN

Annual Grain & Feed Report

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Report Highlights:
MY 2009/10 wheat imports are forecast to remain steady at 3.2 million tons as demand for milling and feed wheat, pending its availability, is expected to remain firm. MY 2009/10 corn imports are predicted to climb back to 8 million tons as carry over stocks shrink and demand remains strong. The debate on early tariffication of the Korean rice market continues.

Commodities:
Wheat

Production:

MY 2009/10 wheat production is forecast to double to 25,000 tons because of the growing demand for less expensive domestically grown milling wheat. Wheat production for MY 2008/09 rebounded from the previous year, climbing nearly 3,000 tons, due to an increase in area planted and higher yields resulting from favorable weather.

The Korean government has announced an ambitious plan to gradually increase milling wheat production to 200,000 tons by 2017, pushing the country's self sufficiency rate from its current level of 1 percent all the way to 10 percent. The wheat will be double cropped with rice. Area planted is forecast to gradually expand to 57,000 hectares (HA) by 2017.

Korea: Wheat Production			
Crop Year	Harvested Area (Hectare)	Yield (MT/HA)	Production (MT)
2006	1,738	3.34	5,810
2007	1,928	3.81	7,624
2008	2,549	4.06	10,359
2009 a/	7,100	3.55	25,000

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF)

a/ FAS/Seoul estimate; yield is based on five-year average.

b/ MIFAFF's Project

Consumption:

MY 2009/10 consumption is forecast at 3.2 million tons, an increase of nearly 300,000 tons from the preceding year. This anticipated increase is based on the assumption of the continued availability of competitively priced feed wheat and the stabilization of the Korean won against other major currencies, particularly the U.S. dollar.

MY 2009/10 milling wheat consumption is forecast at 2.2 million tons, up 100,000 tons from the previous marketing year. Strong international wheat prices over the last few years have forced millers to raise flour prices 70 percent since the end of CY 2006. The high flour prices in MY 2008/09 motivated the local noodle and bread makers to search for alternatives such as rice flour and cheaper imported flour. However, industry is unlikely to fully embrace the switch to rice flour since Korean consumers prefer the texture and chewiness of wheat-based noodles and breads.

CY 2008 per capita consumption dipped to 31.1 kilograms. Nearly 40 percent of flour is used for local noodle manufacturing, followed by 25 percent for baking and confectionary products.   The remainder is used for home baking, pet food, soy sauce, brewing, traditional chewy cakes and industrial use. Some flour is also exported, mostly to Japan.

MY 2009/10 feed wheat consumption is expected to slightly increase to 1.1 million tons. According to local trade sources, 330,000 tons of feed wheat contracts have been made for Jul-Sep delivery, most of which is Eastern European origin. MY 2008/09 consumption is expected to reach nearly 1 million tons based on the feed wheat use to date and the outstanding contracts for the remaining three months of the marketing year.

Korea: Post Estimates of Domestic Wheat Use
(1,000 MT, July/June)

Year	2006/07	2007/08	2008/09 a/	2009/10 a/
Imported Milling Wheat	2,249	2,267	2,075	2,100
Flour Imports b/	69	105	55	80
Flour Exports b/	83	73	55	50
Local Wheat	6	8	10	25
FSI Consumption c/	2,241	2,307	2,105	2,155
Feed Wheat	1,063	686	900	1,100
Total Consumption	3,304	2,993	2,985	3,255

Source: Korea Feed Association (KFA) and Korea Flour Millers Industry Association (KOFMIA)

a/ FAS/Seoul forecast

b/ Wheat basis

c/ Excludes wheat used for the volume of wheat flour exports, including imports of wheat flour.

Korea: Wheat Flour Utilization
(1,000 MT)

Calendar Year	2003	2004	2005	2006	2007	2008
Total Consumption 1/	1,738	1,805	1,735	1,772	1,740	1,618
Per Capita (Kg/Year) 2/	33.1	34.4	33.2	33.9	33.7	31.3

Source: Korea Flour Mills Industrial Association (KOFMIA)

1/ Based on flour millers' sales including exports, imports and animal feed purposes.

2/ Excludes animal feed and exports from total consumption, including imports of wheat flour.

Trade:

MY 2009/10 wheat imports are projected at 3.2 million tons, of which 2.2 million tons is for milling (including flour on a wheat basis) and 1 million tons for feed. The import estimate hinges to a large extent on the continued availability of feed wheat.

The MY 2008/09 wheat import estimate is revised slightly downward to 3.1 million tons since imports of milling wheat were lower than expected during the first eight months of the marketing year because of high international prices and the slowing economy. Meanwhile, feed wheat imports remain unchanged from the previous forecast at 1 million tons, up more than 300,000 MT from MY 2007/08.

Imports of U.S. wheat in MY 2009/10 are forecast to contract slightly to 1.1 million tons because of growing competition from Australia. The import estimate for U.S. wheat during MY 2008/09 remains unchanged from the previous forecast of 1.2 million tons. Australian competition is expected to gradually strengthen in the coming years, which will put downward pressure on U.S. milling wheat market share, estimated at 60 percent in MY 2008/09.

The continued availability of GSM-102 credit guarantees has played an important role in maintaining the competitiveness of U.S. milling wheat this year. Local wheat millers anticipate using more than $300 million in GSM-102 guarantees to back the purchase of more than 1 million metric tons of U.S. milling wheat in FY09. In comparison, Korea used $175 million to cover purchases of 443,000 tons of U.S. milling wheat in FY 2008.

In late December, The Ministry of Strategy and Finance (MOSF) released its adjusted tariffs and tariff rate quotas (TRQ) for the first half of 2009 (Jan-Jun). The milling wheat TRQ was set at 1.2 million tons with a duty of 1 percent. The in-quota tariff will be reevaluated mid-year. The out-of-quota duty remained fixed at 1.8 percent. More details are available at KS9002. Of note, the feed wheat TRQ and corresponding duty were eliminated in 2007.

Korea: Wheat Import Tariff Rates for CY 2009 (Percent)

Commodity		Applied Tariff Rate		Bound Tariff Rate	
		2008	2009	2008	2009
Durum Wheat	1001.10.0000	3	3	9.0	9.0
Meslins	1001.90.1000	3	3		
Seed Wheat	1001.90.9010	1.8	1.8	1.8	1.8
Feed Wheat	1001.90.9020	0	0	0	0
Milling Wheat	1001.90.9030	0 a/	1	1.8	1.8
Others	1001.90.9090	1.8	1.8		

Source: Korea Customs Service (KCS)

a/ The emergency measures for the 2.6 MMT of TRQ are effective from Apr-Dec 2008.

MY 2009/10 flour imports are forecast to rebound slightly to 58,000 tons (80,000 tons wheat equivalent), as food processors continue to search for the most competitively priced flour. MY2008/09 flour imports are forecast to contract sharply to 40,000 tons (55,000 tons wheat equivalent) as small-sized restaurants and noodle manufactures reduce demand due to the weakening of the Korean won against the U.S. dollar.

The Korea Agro-Fishery Trade Corporation (aT), the government's state trading arm, purchased 2,000 tons of wheat flour from an Indonesian supplier at about $650/MT (CIF) in hopes of keeping the local flour prices from climbing higher last year. The flour was later sold to domestic end-users at 650 won/Kg. aT currently has no plans to make any additional contracts for imported flour.

As long as domestic flour prices remain high, flour millers are expected to cut-back on exports. The MY 2008/09 flour export estimate is 40,000 tons (55,000 tons wheat equivalent), down nearly 25 percent from last year.

Korea: Wheat Imports (1,000 MT, Customs Cleared Basis)				
Marketing Year (July/June)	Feed Wheat	Milling Wheat	Flour Imports 1/	Total
03/04	921	2,394	11	3,326
04/05	1,089	2,385	29	3,503
05/06	1,536	2,220	41	3,797
06/07	976	2,298	69	3,343
07/08	565	2,317	105	2,987
08/09 a/	1,000	2,000	75	3,075
09/10 b/	1,000	2,100	80	3,180

Source: Korea Customs Service

1/ Wheat basis

a/ FAS Seoul forecast based on the first eight months.

b/ FAS Seoul forecast

Korea: MY 2008/09 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of Mar, 2009)		
ETA	Quantity	Price (US$/MT)[1/]
Sep. 2008	95	363
Oct.	55	355
Nov.	108	362
Dec.	165	363
Jan. 2009	220	362
Feb.	55	150
Mar.	110	128
Apr.	170	148
May	110	149
June	165	176
Total	1,253	

Source: Local Grain Traders

1/ Average CNF

Korea: MY 2009/10 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of Mar, 2009)		
ETA	Quantity	Price (US$/MT)[1/]
Jul. 2009	165	172
Aug.	55	167
Sep.	110	168
Total	330	

Korea: Wheat Flour Imports (Metric Ton, July/June)						
Country	MY2003	MY2004	MY2005	MY2006	MY2007	MY2008a/
U.S.A.	955	909	315	594	771	528
Canada	2,455	10,690	16,416	28,595	35,662	17,717
Australia	40	72	1,250	2,510	1,721	1,683
China	3,519	7,081	8,510	12,037	27,045	1,531
Others	879	2,135	3,272	6,824	11,795	18,311
Total	**7,848**	**20,887**	**29,763**	**50,560**	**76,994**	**39,770**
Wheat Basis	10,464	27,849	39,684	67,413	105,328	54,450

Source: Korea Customs Service (KCS)

a/ forecast based on flour imports for the first eight months of MY08/09.

Korea: Wheat Flour Exports (Metric Ton, July/June)						
Country	MY2003	MY2004	MY2005	MY2006	MY2007	MY2008a/
Total	79,834	76,764	70,027	61,922	54,740	41,046
Wheat Basis	106,445	102,352	93,369	82,563	72,987	54,728

Source: Korea Customs Service (KCS)

a/ forecast based on flour imports for the first eight months of MY08/09.

Production, Supply and Demand Data Statistics:

WHEAT -- STATISTICAL TABLES

Wheat PSD

Wheat Korea, Republic of	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			Market Year Begin: Jul 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	2	2	2	3	3	3			7
Beginning Stocks	892	796	892	839	725	821			876
Production	8	8	8	9	9	10			25
MY Imports	3,092	2,987	2,987	3,800	3,375	3,100			3,200
TY Imports	3,092	2,987	2,987	3,800	3,375	3,100			3,200
TY Imp. from U.S.	1,526	1,508	1,508	0	1,200	1,200			1,100
Total Supply	3,992	3,791	3,887	4,648	4,109	3,931			4,101
MY Exports	92	73	73	80	70	55			50
TY Exports	92	73	73	80	70	55			50
Feed Consumption	686	686	686	1,300	1,000	900			1,100
FSI Consumption	2,375	2,307	2,307	2,400	2,314	2,100			2,200
Total Consumption	3,061	2,993	2,993	3,700	3,314	3,000			3,300
Ending Stocks	839	725	821	868	725	876			751
Total Distribution	3,992	3,791	3,887	4,648	4,109	3,931			4,101
Yield	4.	4.	4.	3.	3.	3.3333			3.5714
TS=TD			0			0			0

Comments									
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Korea: Import Trade Matrix of Wheat

Import Trade Matrix

Country Korea, Republic of

Commodit Wheat

Time Period	July/June	Units:	1,000 MT
Imports for:	2006		**2007**
U.S.	1186	U.S.	1508
Others		Others	
Australia	1019	Australia	691
China	802	China	569
Canada	215	Canada	113
Ukraine	51		
Total for Others	2087		1373
Others not Liste	1		1
Grand Total	3274		2882

Source: Korea Customs Service

Korea: Monthly Wheat Imports (1,000 MT)				
Month	Feed Wheat		Milling Wheat	
	MY 2007/08	MY 2008/09	MY 2007/08	MY 2008/09
July	131	0	143	180
August	92	0	206	138
September	103	15	144	133
October	136	98	221	204
November	64	49	256	134
December	30	201	98	271
January	4	112	255	62
February	5	120	231	119
Sub Total	**565**	**595**	**1,554**	**1,241**

March	0	Na	106	Na
April	0	Na	342	Na
May	0	Na	130	Na
June	0	Na	185	Na
Total	**565**	**Na**	**2,317**	**Na**

Source: Korea Customs Service

Korea: MY 2008/09 Monthly Wheat Imports by Origin
(1,000 MT, based on Customs Clearance)

Country	U. S.	Australia	Canada	China	Other	Total
Milling Wheat						
2008 July	84	84	12	0	0	180
August	72	55	11	0	0	138
September	96	23	14	0	0	133
October	125	70	8	0	0	204
November	86	48	0	0	0	134
December	157	86	28	0	0	271
2009 January	13	49	0	0	0	62
February	110	2	7	0	0	119
Total	**743**	**418**	**80**	0	0	**1,241**
Feed Wheat						
2008 July	0	0	0	0	0	0
August	0	0	0	0	0	0
September	0	0	0	0	15	15
October	0	0	0	4	94	98
November	0	0	0	0	49	49
December	0	0	0	3	198	201
2009 January	0	0	0	0	112	112
February	0	0	0	0	120	120
Total	0	0	0	**7**	**588 a/**	**595**
Total Wheat						
2008 July	84	84	12	0	0	180
August	72	55	11	0	0	138
September	96	23	14	0	15	148
October	125	70	8	4	94	301
November	86	48	0	0	49	183
December	157	86	28	3	198	473
2009 January	13	49	0	0	112	174
February	110	2	7	0	120	239
Total	**743**	**418**	**80**	**7**	**588**	**1,836**

Source: Korea Customs Service

a/ Ukraine

Korea: Monthly Wheat Use
(1,000 MT)

Month	Feed Wheat		Milling Wheat a/	
	MY 2007/08	MY 2008/09	MY 2007/08	MY 2008/09
July	101	3	166	162

August	93	3	191	146
September	90	3	172	157
October	89	21	207	173
November	77	55	189	157
December	69	96	203	177
January	66	97	221	186
February	43	103	164	148
Subtotal	**628**	**381**	**1,514**	**1,310**
March	24	Na	178	Na
April	20	Na	181	Na
May	9	Na	174	Na
June	5	Na	146	Na
Total	**686**	**Na**	**2,194**	**Na**

Source: KFA and KOFMIA

a/ Milling wheat use data includes wheat flour exports, but excludes the portion used in soy-sauce production

Korea: Milling Wheat Imports by Variety
(Arrival Basis, Calendar Year)

Origin	Variety	CY 2007		CY 2008	
		(1,000 MT)	%	(1,000 MT)	%
United States	No. 1 WW/SW	462.7	22.4	357.6	20.6
	No. 1 WW/SW 9.5 max.	77.6	3.7	56.3	3.2
	No. 1 WW/SW 8.5 max.	44.6	2.2	27.4	1.6
	No. 1 White Club	0	0	0	0.0
	No. 1 Hard White	0	0	0	0.0
	No. 1 HRW 11.5 min.	242.2	11.7	263.8	15.2
	No. 1 DNS 14.0 min.	312.0	15.1	274.2	15.8
	No. 1 DNS 14.5 min.	31.3	1.5	3	0.2
	No. 2 SRW	5.1	0.2	4.3	0.2
	Sub Total	**1,175.6**	**56.8**	**986.6**	**56.8**
Australia	AS [a/]	2.1	0.1	5	0.3
	ASW [b/]	717.3	34.7	568.5	32.8
	AH [c/]	79.8	3.8	46.9	2.7
	Sub Total	**779,187**	**38.6**	**620.4**	**35.7**
Canada	No. 2 CWRS 13.5 min. [d/]	**94.8**	**4.6**	**126.7**	**7.3**
Others [e/]	Organic Wheat	na	na	1.8	0.1
	Grand Total	**2,069.6**	**100**	**1,735.5**	100.0

Source: Korea Flour Mills Industrial Association (KOFMIA)

a/ Australian Soft

b/ Australian Standard White

c/ Australian Hard

d/ Canada Western Red Spring

e/ 690 MT from Canada and 1,154 MT from Kyrgyzstan

Commodities:

Corn

Production:

Corn production is negligible and accounts for about one percent of total consumption. Planted area for MY 2009/10 is expected to remain steady at around 18,400 hectares, while production is forecast at 87,000 MT based on the preceding five-year average yield. Increased plantings and stronger yields pushed MY 2008/09 corn production up 11 percent to 92,831 MT.

Korea: Corn Production			
Crop Year	Area (HA)	Yield (MT/HA)	Production (MT)
2000	15,808	4.06	64,205
2001	14,208	4.03	57,218
2002	17,344	4.22	73,223
2003	16,966	4.14	70,242
2004	18,218	4.26	77,616
2005	15,176	4.84	73,470
2006	13,661	4.73	64,623
2007	16,981	4.82	83,513
2008	18,366	5.05	92,831

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF)

a/ based on five-year average

b/ FAS/Seoul estimate

Consumption:

MY 2009/10 corn consumption is forecast unchanged from the previous year at 8.1 million MT as the slight decline in feed corn consumption is expected to be offset by increased processing corn consumption.

MY 2009/10 feed corn consumption is forecast to decrease slightly to 6.5 million tons as feed wheat use is anticipated to remain steady and livestock ending inventories are predicted to contract slightly in CY2009. See Animal Inventory table for additional details.

Compound feed production is expected to hold steady in MY 2008/09 and MY 2009/10 at around 16 million metric tons. Feed corn is the main ingredient used in compound feed, accounting for 40-45 percent of total ingredients. This ratio is projected to remain relatively constant for the foreseeable future based on the preferences of local livestock producers. With that said, rising DDG use is expected to have a limited impact on total corn demand at this time. Instead, increased DDG consumption is expected to put greater downward pressure on overall protein meal consumption over the coming years.

Meanwhile, MY 2009/10 processing corn consumption is forecast to increase 100,000 tons to 1.5 million tons as prices stabilize. Corn processors are expecting stronger demand for high fructose corn syrup (HFCS) since it is now cheaper than sugar. Most local beverage and food processors are planning to only use HFCS made from non-GM corn because of the public's concerns over biotech foods.

MY 2008/09 corn consumption is forecast at 8.1 million tons, down about 500,000 tons from the prior year. Feed corn consumption is lowered to 6.6 million tons due to rising feed wheat usage and to a lesser extent increased demand for DDGs and tapioca. Total processing corn consumption is forecast to soften to 1.5 million tons because the food and beverage industry switched to using less expensive sugar instead of HFCS throughout most of the year. About 1 million tons of corn was used for HFCS production.

Korea: Total Corn Utilization
(Oct./Sept., 1,000 MT)

Marketing Year	Feed	Processing a/	Food b/	Total
2005/06	6,510	1,996	73	8,579
2006/07	6,914	1,856	63	8,833
2007/08	7,046	1,495	94	8,633
2008/09 c/	6,600	1,400	94	8,094
2009/10 c/	6,500	1,500	94	8,094

Source: Korean Feed Association (KFA), Korea Corn Processing Industry Association (KOCPIA)

a/ Used for wet and dry milling process based on imported corn.

b/ For on-farm human consumption (on-the-cob) or snack food consumed on-the-cob, as puffed kernels or as corn tea. Imported white corn for popping has been included since MY 2004.

c/ FAS Seoul forecast.

Korea: Feed Ingredient Use for Compound Feed Production
(October/September, 1,000 MT)

Items	MY 2006/07	MY 2007/08	MY 2008/09[a/]	MY 2009/10[a/]
Sub. Total Grains and Grain Substitutes	**10,184**	**10,132**	**10,000**	**9,800**
- Wheat	1,037	412	1,200	1,000
- Corn	6,914	7,046	6,600	6,500
-Barley	29	89	2,200	2,300
- Other Grains and Grain Substitute b/	2,204	2,585		
Others c/	**5,838**	**6,167**	**6,000**	**6,000**
Grand Total	**16,022**	**16,299**	**16,000**	**15,800**

Source: Korea Feed Association (KFA)

a/ FAS Seoul forecast.

b/ includes Tapioca, bran and gluten feed.

c/ includes vegetable protein meal, animal protein, minerals/additives, tallow, DDGS and molasses.

Korea: Compound Feed Production by Species
(October/September, 1,000 MT)

Species	MY 2007/08	MY 2008/09 a/	MY 2009/10 a/
Poultry	4,311	4,200	4,200
Swine	5,371	5,200	5,100
Cattle	5,516	5,700	5,600
Others b/	1,029	900	900
Total	16,227	16,000	15,800

Source: Korea Feed Association (KFA)

a/ FAS/ Seoul forecast

b/ include ducks, pet food, rabbit, horse, sheep, deer, quail etc.

Trade:

MY 2009/10 corn imports are projected to climb back to 8 million tons. Feed corn imports during this same period are forecast upward to 6.5 million MT, an increase of 400,000 tons from the previous year as carry over stocks are expected to shrink to about 1.6 million tons. The expected minor contraction in animal inventories will also put some downward pressure on feed corn imports. The feed corn import estimate could climb higher if feed wheat imports slip below the current MY 2009/10 estimate of 1.0 million metric tons.

MY 2009/10 U.S. corn imports are forecast to remain unchanged from the prior year at 6.5 million tons, but could reach as much as 7.0 million tons so long as China continues to limit its corn exports.

MY 2008/09 corn imports are revised downward to 7.5 million tons, down 500,000 tons from the previous forecast for a variety of reasons, including larger than usual carry-over stocks, increased demand for feed wheat, and growing biotech concerns. The feed corn import estimate has accordingly been lowered to 6.1 million tons, while the processing corn import estimate has been cut to 1.4 million tons.

The local corn processing industry has seen some of its business dry up this year as food and beverage manufacturers switched to cheaper priced sugar instead of HFCS. The switch to sugar was also driven by consumer concerns over products containing biotech ingredients as well as the government’s proposal to expand biotech labeling to all processed products containing ingredients made from genetically modified crops.

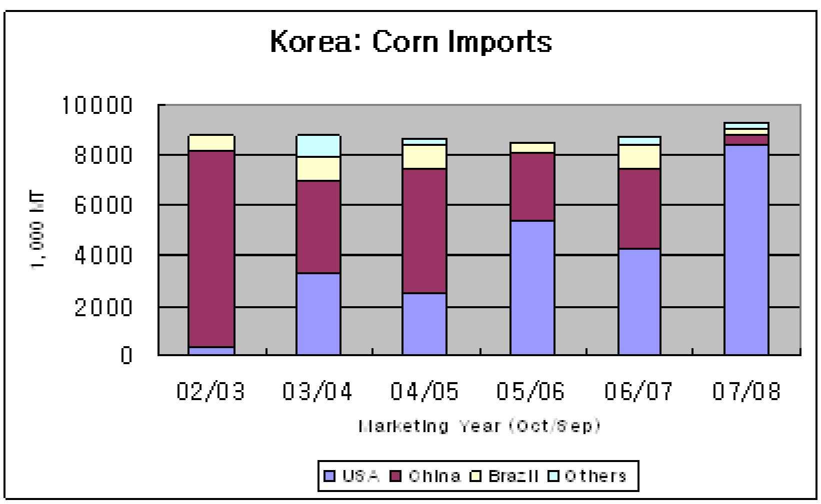
As corn prices have become more competitive in recent months, local corn processors have started using more non-biotech corn in order to address consumer demands. Most of the non-biotech corn is being sourced from the European Union, Australia, Paraguay and South Asian countries. Meanwhile, the local food and beverage sector has started importing more non-biotech corn products, such as oils and syrups, most of which are from China.

The MY2008/09 import for U.S. corn is forecast at 6.5 million metric tons, down 500,000 tons from the earlier forecast. The availability of GSM 102 credit guarantees has allowed feed manufacturers to continue using U.S. corn rather than switching to other suppliers or increasing feed wheat use. Nearly $260 million of GSM-102 guarantees were used in the first half of FY09.

In late December, the Ministry of Strategy and Finance (formerly MOFE) released its adjusted tariffs and temporary tariff rate quotas (TRQ) for the first half of 2009 (Jan-Jun). These TRQs cover a variety of agricultural products, including feed and processing corn. The TRQs are expanded as necessary to make sure there is more than ample room for imported to corn to enter within the set quota volume.

The six month temporary TRQ for feed corn was set at 4.5 million tons, with a zero percent duty. Similarly, the temporary TRQ for processing corn was fixed at 1 million tons, with a duty of zero percent as well. The out-of-quota duty for both feed and processing corn remained fixed at 328 percent. The corn TRQs for the final six months of CY2009 will be announced shortly.

Of the annual TRQ for feed corn, 7 million MT has been allocated to Korean Feed Association (KFA) and 4 million MT to Nonhuyp Feed Inc. (NOFI), respectively. The Korea Corn Processing Industry Association (KOCPIA) manages the 2 million ton processing corn TRQ.



Korea: Corn Imports (1,000MT, Customs Cleared Basis)			
Marketing	From World	From the U. S.	U. S. Share

Year	Feed	Processing	Total	Feed	Processing	Total	%
04/05	6,739	1,895	8,634	2,303	190	2,493	29
05/06	6,507	1,975	8,482	4,813	561	5,374	63
06/07	6,860	1,871	8,731	4,036	150	4,186	48
07/08	7,680	1,629	9,309	7,259	1,077	8,336	90
08/09 a/	6,100	1,400	7,500	5,500	1,000	6,500	87
09/10 a/	6,500	1,500	8,000	5,500	1,000	6,500	81

Source: Korea Customs Service

a/ FAS/Seoul forecast

Korea: Corn Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of March 30, 2009)						
ETA	U.S.	SOAM1/	Australia	EU	Others 2/	Total
Oct. 2008	309	0	8	0	0	317
Nov.	423	0	4	0	55	482
Dec.	331	0	7	0	0	338
Jan. 2009	245	0	0	0	275	520
Feb.	73	0	0	0	165	238
Mar.	278	0	0	0	265	543
Apr.	265	0	0	75	440	780
May	190	55	0	110	385	740
June	210	0	0	110	220	540
July	345	0	0	0	55	400
Aug.	275	0	0	0	110	385
Sep.	0	0	0	0	55	55
Total	**2,944**	**55**	**19**	**295**	**2,025**	**5,338**

Source: Local Grain Traders

1/ South American Countries

2/ optional origins

Korea: Import Tariff Rate for CY 2009							
Commodity	In-Quota				Out-of-Quota Rate	Bound Tariff Rate	
	Current Market Access Quota		Temporary Quota			In-Quota	Out-of-Quota
	Volume	%	Volume	%	%	%	%
Feed Corn 1005.90.1000	6,102,100 MT	1.8	11,158,063 MT a/	0	328	1.8	328
Processing Corn 1005.90.9000		3	1,970,000 MT b/	0	328	3	328
Pop Corn 1005.90.2000		1.8	7,500	1.8	630	1.8	630

Source: Korea Customs Service (KCS)

a/ Temporary reduced tariff quota rate for CY 2009

b/ included 16,000 MT of white corn for Korea Corn Association for CY 2009

Policy:

Biotechnology

Although there have been no serious trade disruptions associated with the implementation of the Living Modified Organism (LMO) Act in January 2008, the potential remains a constant concern. According to local feed millers, the LMO Act has resulted in additional customs clearance delays of up to 2-3 additional days. The delay adds demurrage costs thereby adding to the final cost of the corn.

The LMO Act's safety assessment procedures to approve new biotech events involves several different ministries, which has resulted in duplicative, costly and conflicting data requests. Nearly two years after the original dossier was submitted for review, the Korean government recently approved a new biotech event contained in MON89034 (Monsanto), which will be planted in the United States in MY 2009/10.   This new corn variety is now proceeding through the government's separate review process for stacked events, which should be done sometime this summer.

USG is continues to work with its Korean government counterparts to address the lengthy approval process and its many redundancies in order to prevent growing backlogs of new biotech events in the future. In addition, bilateral discussions continue on revising the LMO Act and supporting legislation to address other U.S. industry concerns.

Last year, KFDA announced a proposal to expand biotech labeling to include processed food products containing oils and syrups from biotech corn or soybeans, as well as alcohol and cheeses that used biotech processing agents. This proposed expansion would in effect require all processed products to be labeled as GM or non-GM. If implemented, shipments of crushing soybeans would likely decline since local food processors would switch to imported soybean and/or other oils made from non-GM crops.

Because of local industry concerns, KFDA has decided to reconsider the proposed scope of products included in the new labeling provision. KFDA is expected to announce its decision shortly and is expected to finalize the expanded labeling requirements in the first half of 2009.

Production, Supply and Demand Data Statistics:

SECTION II. CORN -- STATISTICAL TABLES

Corn PS&D

Corn Korea, Republic of	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Oct 2009		
	Annual Data Displayed		New Post Data	Annual Data Displayed		New Post Data	Annual Data Displayed		New Post Data
Area Harvested	17	17	17	17	17	18			18
Beginning Stocks	1,352	1,346	1,352	2,110	2,095	2,112			1,606
Production	84	84	84	80	80	94			87
MY Imports	9,318	9,309	9,309	6,500	8,000	7,500			8,000
TY Imports	9,318	9,309	9,309	6,500	8,000	7,500			8,000
TY Imp. from U.S.	8,421	8,336	8,336	0	7,000	6,500			6,500
Total Supply	10,754	10,739	10,745	8,690	10,175	9,706			9,693
MY Exports	0	0	0	0	0	0			0
TY Exports	0	0	0	0	0	0			0
Feed Consumption	7,046	7,046	7,046	4,700	6,800	6,600			6,500

FSI Consumption	1,598	1,598	1,587	1,900	1,700	1,500			1,600
Total Consumption	8,644	8,644	8,633	6,600	8,500	8,100			8,100
Ending Stocks	2,110	2,095	2,112	2,090	1,675	1,606			1,593
Total Distribution	10,754	10,739	10,745	8,690	10,175	9,706			9,693
Yield	5.	5.	4.9412	5.	5.	5.2222			4.8333
TS=TD			0			0			0
Comments									
AGR Number									

Comments To Post

Korea: Import Trade Matrix of Corn

Import Trade Matrix

Country Korea, Republic of

Commodit Corn

Time Period	Oct/Sept	Units:	1,000MT
Imports for:	2006		**2007**
U.S.	4186	U.S.	8336
Others		Others	
China	3295	China	414
Brazil	946	Brazil	296
Argentina	256	India	251
Total for Others	4497		961
Others not Liste	48		12
Grand Total	8731		9309

Source: Korea Customs Service (KCS)

Korea: Corn Imports
(1,000MT, Customs Cleared Basis)

Marketing Year	From World			From the U. S.			U. S. Share
	Feed	Food	Total	Feed	Food	Total	%
93/94	4,049	1,647	5,696	199	181	380	7
94/95	6,463	1,760	8,223	6,192	1,420	7,612	93
95/96	7,166	1,797	8,963	6,855	1,699	8,554	95
96/97	6,455	1,881	8,336	3,869	1,629	5,498	66
97/98	5,755	1,773	7,528	1,610	1,699	3,309	44

98/99	5,593	1,921	7,514	4,543	1,891	6,434	86
99/00	6,618	2,060	8,678	1,610	1,620	3,230	37
00/01	6,568	2,155	8,723	2,169	1,120	3,289	38
01/02	6,474	2,128	8,602	1,487	111	1,598	19
02/03	6,657	2,137	8,794	306	24	330	4
03/04	6,659	2,117	8,776	2,921	336	3,257	37
04/05	6,739	1,895	8,634	2,303	190	2,493	29
05/06	6,507	1,975	8,482	4,813	561	5,374	63
06/07	6,860	1,871	8,731	4,036	150	4,186	48
07/08	7,680	1,629	9,309	7,259	1,077	8,336	90
08/09 a/	6,100	1,400	7,500	5,500	1,000	6,500	87

Source: FAS Seoul

a/ FAS/Seoul forecast.

Korea: Monthly Corn Import
(1,000 MT)

Month	Feed Corn		Processing Corn	
	MY 2007/08	MY 2008/09	MY 2007/08	MY 2008/09
October	557	493	178	73
November	556	390	144	96
December	518	536	128	226
January	548	414	178	77
February	749	317	158	96
Subtotal	**2,928**	**2,150**	**786**	**568**
March	774	Na	58	Na
April	702	Na	151	Na
May	732	Na	148	Na
June	710	Na	151	Na
July	697	Na	93	Na
August	556	Na	160	Na
September	581	Na	82	Na
Total	7,680	Na	1,629	Na

Source: Korea Customs Service

Korea: MY 2008/09 Monthly Corn Imports by Origin
(1,000 MT, based on Customs Clearance)

Country	U. S.	China	Brazil	Others	Total
Feed Corn					
2008 Oct.	493	0	0	0	493
Nov.	389	0	0	1	390
Dec.	522	0	12	2	536
2009 Jan.	287	0	127	0	414
Feb.	149	0	168	0	317
Subtotal	1,840	0	307	3	2,150
Processing					
2008 Oct.	58	0	8	7	73
Nov.	87	0	0	9	96
Dec.	160	0	0	66	226
2009 Jan.	33	0	10	34	77

Feb.	49	0	17	30	96
Subtotal	387	0	35	146a/	568
Total					
2008 Oct.	551	0	8	7	566
Nov.	476	0	0	10	486
Dec.	682	0	12	68	762
2009 Jan.	320	0	137	34	491
Feb.	198	0	185	30	413
Grand Total	2,227	0	342	149	2,718

Source: Korea Customs Service

a/ mainly non-GM corn originated from Hungary (113,216 MT), Australia (28,273 MT), Paraguay (3,000 MT), Vietnam (1,146 MT) and others (440 MT).

Korea: Total Corn Utilization (Oct./Sept., 1,000 MT)				
Marketing Year	Feed	Processing a/	Food b/	Total
1997/98	5,875	1,715	83	7,673
1998/99	5,560	1,886	80	7,526
1999/00	6,541	2,004	79	8,624
2000/01	6,460	2,092	64	8,616
2001/02	6,584	2,094	57	8,735
2002/03	6,569	2,145	68	8,782
2003/04	6,614	2,057	51	8,722
2004/05	6,619	1,966	81	8,666
2005/06	6,510	1,996	73	8,579
2006/07	6,897	1,856	63	8,833
2007/08	7,046	1,495	92	8,633
2008/09 c/	6,600	1,400	100	8,100
2009/10 c/	6,500	1,500	100	8,100

Source: Korean Feed Association (KFA), Korea Corn Processing Industry Association (KOCPIA)

a/ Used for wet and dry milling process based on imported corn.

b/ For on-farm human consumption (on-the-cob) or snack food consumed on-the-cob, as puffed kernels or as corn tea. Imported white corn for popping has been included since MY 2004.

c/ FAS Seoul forecast.

Korea: Processing Corn Consumption (Oct./Sept., 1,000 MT)			
Marketing Year	Wet Milling	Dry Milling	Total
1997/98	1,511	204	1,715
1998/99	1,670	216	1,886
1999/00	1,783	221	2,004
2000/01	1,880	204	2,092
2001/02	1,911	181	2,092
2002/03	1,929	180	2,109
2003/04	1,892	165	2,057
2004/05	1,837	129	1,966
2005/06	1,896	100	1,996

2006/07	1,752	105	1,857
2007/08	1,405	90	1,495

Source: Korea Corn Processing Industry Association (KOCPIA)

Korea: Monthly Corn Use (1,000 MT)				
Month	Feed Corn		Processing Corn	
	MY 2007/08	MY 2008/09	MY 2007/08	MY 2008/09
October	610	601	170	105
November	613	527	149	111
December	640	581	141	109
January	639	522	154	99
February	587	467	130	86
Subtotal	**3,089**	**2,697**	**744**	**510**
March	573	Na	115	Na
April	604	Na	118	Na
May	569	Na	116	Na
June	564	Na	107	Na
July	559	Na	103	Na
August	522	Na	106	Na
September	566	Na	86	Na
Total	**7,046**	**Na**	**1,495**	**Na**

Source: Korean Feed Association (KFA)

Korean Corn Processing Industry Association (KOCPIA)

Korea: Animal Inventory (1,000 Head, 1,000 Birds)					
Animal	Year	March	June	September	December
Beef Cattle	2005	1,654	1,757	1,825	1,819
	2006	1,836	1,959	2,021	2,020
	2007	2,043	2,179	2,220	2,201
	2008	2,241	2,448	2,470	2,430
	2009	2,408	2,565	na	2,486d/
Dairy Cattle	2005	497	491	485	479
	2006	482	471	468	464
	2007	461	456	455	453
	2008	451	445	445	446
	2009	444	442	na	440d/
Swine	2005	8,838	8,786	8,993	8,962
	2006	9,010	9,030	9,369	9,382
	2007	9,345	9,462	9,659	9,606
	2008	8,981	9,153	9,284	9,087
	2009	8,826	8,836	na	8,964f/
Layer a/	2005	51,370	54,390	55,020	53,392
	2006	53,520	55,200	55,388	57,238

	2007	56,525	56,542	55,117	56,093
	2008	57,850	59,700	58,200	59,170
	2009	60,860	62,290	na	na
Broiler b/	2005	52,743	88,137	65,830	50,422
	2006	63,935	84,279	57,713	55,375
	2007	63,350	87,359	59,946	56,227
	2008	67,010	77,850	55,550	55,300
	2009	64,280	na	na	na

Source: Korea Rural Economic Institute, MIFAFF

a/ Excluding breeders.

b/ Excluding multi-use broilers.

c/ Korea Rural Economic Institute Forecast.

d/ FAS/Seoul forecast

f/ FAS/Seoul forecast, includes 846,000 heads of statistical difference between FAS/Seoul and Korean government.

Commodities:

Rice, Milled

Production:

MY 2009/10 rice production is forecast to decrease to 4.5 million tons due to lower planting intentions. According to a recent Korea Rural Economic Institute (KREI) survey of 1,685 rice farmers, area planted is expected to decline slightly to 929,000 HA, down 0.7 percent from last year. The forecast contraction in production is bigger than year's past also because the MY08/09 bumper crop. Information about the 2008 rice crop is available in KS8068.

The survey also revealed that farmers intend to increase plantings of early rice varieties because of stronger farm gate prices. Meanwhile, farmers are expected to cut back on plantings of medium/late rice varieties.

Korea: Rice Area, Yield and Production			
Crop Year	Area (1,00HA)	Yield (KG/10A)	Production (Milled, 1,000 MT)
2002 a/	1,053	471	4,927
2003 b/	1,016	441	4,451
2004	1,001	504	5,000
2005	980	490	4,768
2006	955	489	4,680
2007	950	464	4,408
2008	936	518	4,843
2009 c/	929	492	4,500

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF) a/ Heavy rains during the summer and the effects of typhoon Rusa (Aug 31 – Sep 1)

b/ Cool and rainy days during the growing season and the effects of typhoon Maemi (Sep 9 - 12).

c/ FAS Seoul forecast based on KREI survey of planting intention with five-year-average yield.

In October 2008, a scandal erupted over illicit rice subsidy payments to non-farmers. An investigation ensued and several government officials later resigned over allegations of having unlawfully received payments. In March 2009, the government announced that the Rice Income Compensation Act (RICA) had been revised to tighten the qualifications for receiving support payment. These changes become effective June 26, 2009.

Korean rice farmers receive two types of income support payments under the RICA, an area and a deficiency payment. In 2008, combined support payments totaled 709.8 billion won ($646 million). An explanation of how these payments are calculated follows.

Area Payment: This payment is made on a per hectare basis and is calculated using the average area of rice production during the base period 1998-2000. The 2008 area payment was 700,000 won ($638) per hectare, unchanged from the previous year.

Deficiency Payment: The deficiency payment is 85 percent of the difference between the national-average market price during the 2008 harvest season (Oct-Jan) and the 2008 target price, less the area payment. The deficiency payment in 2008 was zero since the average harvest price of 2,029 won ($1.48) per kilogram (milled) was so close to the target price of 2,126 won ($1.94) per kilogram (milled). [1] The area payment of 700,000 won per hectare is converted to a kilogram equivalent (143.4 won/Kg) by dividing it by the 1999-2003 Olympic average yields. The deficiency payment calculation is shown below.

[(Target Price W/kg - Average Harvest Price W/kg) x .85] - Area Payment per HA /Avg. National Yield per HA

[W 2,126 – W 2,029] x .85] – W 700,000/4,880 = W -60.95 per kilogram

Deficiency payments have plummeted over the last few years from 900 billion won ($879 million) in 2005 to zero in 2008. The reason for this significant drop is farm gate prices have unexpectedly remained very strong during the recent harvest seasons.

PSSE: The government also supports farmers through direct purchase of domestic rice through the Public Storage System for Emergencies (PSSE) program. Under this program, the Korean government purchases domestic milled rice during the harvest season (Oct-

Dec) paying the average market price and then sells it during the non-harvest periods at the prevailing domestic market price.

The government purchased 400,000 MT (milled) of paddy rice, or 9 percent of the 2008 crop at an average price of 2,030 won ($1.85) per kilogram. The government plans to maintain its purchase under the PSSE in 2009 and is expected to buy 400,000 MT.

Korea: Direct Payment Program for Rice Income Compensation							
Year	Area Payment (A)			Deficiency Payment (B)			Total (Billion Won) (A)+(B)
	Area (1,000 HA)1/	Payment (Won/HA)	Total (Billion Won)	Production (1,000 MT) 2/	Payment (Won/Kg)	Total (Billion Won)	
2005	1,007	600,000	604.2	4,586	196.4	900.6	1,504.8
2006	1,024	700,000	716.8	4,637	94.2	437.1	1,153.9
2007	1,018	700,000	712.6	4,553	61.3	279.3	991.9
2008	1,014	700,000	709.8	4,499	none	0	709.8

Source: FAS/Seoul estimate based on MIFAFF data

1/ Those eligible for payment include farmers, farming union corporations, agricultural corporations, or anyone producing rice on a minimum of 0.1 HA of farmland between Jan 1, 1998 and Dec 31, 2000.

2/ based on the Olympic average rice yield is 4,880 Kg per hectare for 1999-2003 and actual cultivated area registered under the program.

Korea: Government Rice Purchases			
Crop Year	Production(1,000 MT)	Purchase(1,000 MT)	%
2005	4,768	719	15
2006	4,680	504	11
2007	4,408	417	9
2008	4,843	400	8

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF)

a/ Forecast

[1] The target price is calculated based on the average price for the past three years (CY02-04) In March 2008, the Korean National Assembly agreed to leave the target price unchanged from the 3-year average (CY02-04) at 2,126 won per kilogram (milled). The target price is applicable for crop years 2008-2012.

Consumption:

Korean consumers prefer short grain table rice to all other rice varieties. MY 2009/10 consumption is forecast at 4.8 million tons, down marginally from the previous year. Imported rice represents only 6 percent of total consumption.

Per capita rice consumption continues to decline as eating habits change due to rising incomes and the growing popularity of Western foods. Annual per capita consumption reached its peak at 136.4 Kg in 1970 and has gradually declined since that time and is forecast to fall to a record low of 73.2 Kg in MY 2009/10.

Korea is self sufficient in rice production and 80 percent of production is consumed as table rice. Korea also consumes a relatively small volume of imported rice as part of its commitment under the WTO Minimum Market Access (MMA) rice agreement. MY 2009/10 consumption of imported rice is projected at 300,000 metric tons.

The wholesale price of Korean table rice has historically been more than three times higher than the price of imported U.S. rice. However, this price gap is starting to narrow as explained under the trade section.

In MY 2009/10, Korea's food processing industry is expected to use about 550,000 tons of rice (milled), of which half is imported. Nearly 60 percent of processing rice is used for rice cakes and about 20 percent is used for alcohol. Consumption of processing rice is expected to grow marginally in the coming years as the government continues its efforts to globalize Korean cuisine, which includes rice cakes and other rice based snacks.

Korea: Rice Utilization Pattern (1,000 MT, milled)				
Rice Year (Nov.- Oct.)	MY 2006/07	MY 2007/08 [a/]	MY 2008/09 [b/]	MY 2009/10 [c/]
Table Rice	3,789	3,755	3,704	3,660
Processing	424	582	541	550
(for food)	(222)	(436)	(441)	(450)
(for liquor)	(202)	(146)	(100)	(100)
Seed	41	40	40	40
Other, including loss	633	293	722	500
Total Demand	**4,887**	**4,670**	**5,007**	**4,750**
Per Capita Table Rice Consumption (Kg)	76.9	75.8	74.4	73.2

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF)

a/ Revised b/ Preliminary c/ FAS/Seoul Forecast

Korea: Processing Rice Consumption Pattern (1,000 MT, milled)			
Purpose	MY 2006/07	MY 2007/08	MY 2008/09 a/
KRFA	101	110	135
KALIA	202	146	100
Others b/	121	326	306
Total	424	582	541

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF)

A/ MIFAFF forecast

b/ tradition foods or beverage made of local rice.

Korea Rice Foodstuffs Association (KRFA)

Korea Alcohol & Liquor Industry Association (KALIA)

Korea: Rice Supply for Processing Purposes to KRFA Members (Metric Ton, Milled)			
Calendar Year	Local Rice	Imported Rice	Total
1995	200,160	0	200,160
1996	130,632	3,000	133,632
1997	30,171	57,957	88,128
1998	933	77,259	78,192
1999	0	74,214	74,214
2000	0	67,112	67,112
2001	0	66,850	66,850
2002	79	73,884	73,963
2003	306	84,851	85,157
2004	249	91,624	91,873
2005	215	96,020	96,235
2006	67	97,250	97,317
2007	210	101,064	101,274
2008	572	109,552	110,124
2009 a/	na	na	130,000-140,000

Source: Korea Rice Foodstuffs Association (KRFA)

a/ KRFA's forecast

Korea: 2008 Rice Supply for Processing Purposes to KRFA Members (Metric Ton, Milled)		
Item	Quantity (mt)	Ratio (%)
Cake/Noodle	65,487	59
Confectionary	7,252	7
Flour	10,509	10
Alcohol	20,048	18
Sticky Sweet	4,063	4
Traditional Food	572	1
Others	2,193	2
Total	110,124	100

Source: Korea Rice Foodstuffs Association (KRFA)

Trade:

Korea imports rice as part of its WTO Minimum Market Access (MMA) rice agreement. Import volumes will continue to grow according to the predefined MMA schedule until the end of 2014 or until Korea announces early tariffication.

Local think-tanks and academics have been calling for early tariffication over the last several months in light of the higher international rice prices. Although the Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF) agrees with these groups' economic rationale for early tariffication, they have to balance the interests of local rice growers. MIFAFF is currently soliciting growers' input.

Rice farmers are concerned that early tariffication could lead to higher imports than are currently allowed under the MMA. Farmers expressed similar concerns when this issue has bubbled up when the MMA extension was being negotiated back in 2004. With that said, early tariffication seems unlikely at this time. Post will continue to monitor this ongoing debate and provide updates as warranted.

MY 2009/10 rice imports are forecast at about 300,000 tons, up 20,000 tons from the previous year. Under the 2009 MMA, Korea is committed to purchase 306,964 tons (milled) of rice, which will likely occur in late 2009. Of the total committed purchase amount, approximately 70,000 -80,000 MT (milled), or 22-26 percent of the 2009 MMA, will be U.S. medium grain rice, which includes both CSQ and MFN quota allocations. The government is also expected to announce a trial allocation for 1,000 tons of sweet rice under the 2009 MMA.

The government's state trading arm, the Korea Agro-Fishery Trade Corporation (aT), manages the purchase and sale of imported rice. aT sells the table rice shipments through a public auction system. The government sells the processing rice to end-users throughout the year as needed. 2008 MMA shipments started arriving in late last year and will finish by the end of June 2009.

The auctions of U.S. table rice kicked off in April after a month long delay because of the unstable exchange rate situation. As of the end of April, 710 tons of U.S. #1 grade medium grain rice had been auctioned at an average price of 1,641 won per kilogram ($1.18), up 4 percent from last year. The auctions of #3 U.S. table rice will start after the #1 U.S. table rice sales are completed.

The U.S. table rice auctions have gone slower than usual as U.S. and Korean rice prices have started converging because of higher U.S. rice prices, a stronger U.S. dollar, and a larger than expected Korean MY 2008/09 rice crop, which has put downward pressure on local prices. More discussion on price convergence is available in KS9001. Chinese rice auctions of have also been slow for the same reasons.

In response to the sluggish sales, aT recently dropped its bid floor price. Weekly auction volumes have since picked-up, but are still lower than previous year averages. Post will continue to monitor the auctions and provide additional updates as needed.

The auctions for Chinese rice also started in April. As of the end of April, 1,073 tons of PRC #1 short grain rice had been sold at an average price of 1,596 Korean Won per kilogram ($1.13), up 8 percent from last year. At the conclusion of these auctions, aT will begin selling PRC #3 grade short grain rice and PRC #1 medium grain rice.

Table rice auctions for Thai #1 rice started in February and are expected to wrap up by the end of June of this year.

Stocks:

MY 2009/10 ending stocks are forecast to increase to 860,000 tons, nearly 18 percent of total consumption, as rice consumption continues its downward trend. MY 2008/09 stocks are forecast at 810,000 MT, equivalent to roughly 16 percent of consumption.

Ending stocks of imported rice continue to level off as the government has encouraged the use of rice in food processing since MY2007/08. Imported rice stocks for 2009/10 are expected to remain unchanged from the previous year at 100,000 metric tons.

Korea: Status of Rice Stocks (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2004/05	2005/06	2006/07	2007/08 a/	2008/09 b/	2009/10 b/
Total	817	815	702	694	810	860
Government Stock	641	705	596	608	700	700
-Domestic Rice	113	493	456	510	600	600
-Imported Rice	528	212	140	98	100	100
Civil Stock	176	110	106	86	110	160

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF)

a/ MIFAFF Preliminary

b/ FAS/Seoul forecast

Production, Supply and Demand Data Statistics:

SECTION II. RICE -- STATISTICAL TABLES

Rice, Milled PSD

Rice, Milled Korea, Republic of	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Nov 2007			Market Year Begin: Nov 2008			Market Year Begin: Nov 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		New Post
			Data			Data			Data
Area Harvested	950	950	950	936	936	936			929
Beginning Stocks	702	690	702	683	712	694			810
Milled Production	4,408	4,408	4,408	4,843	4,600	4,843			4,500
Rough Production	5,962	5,962	5,962	6,545	6,216	6,545			6,081
Milling Rate (.9999)	7,393	7,393	7,393	7,400	7,400	7,400			7,400
MY Imports	249	249	254	280	280	280			300
TY Imports	257	257	282	290	290	290			300
TY Imp. from U.S.	97	71	77	0	72	70			70
Total Supply	5,359	5,347	5,364	5,806	5,592	5,817			5,610
MY Exports	0	0	0	0	0	0			0
TY Exports	0	0	0	0	0	0			0
Total Consumption	4,676	4,635	4,670	4,656	4,540	5,007			4,750
Ending Stocks	683	712	694	1,150	1,052	810			860
Total Distribution	5,359	5,347	5,364	5,806	5,592	5,817			5,610
Yield (Rough)	6.	6.	6.2758	7.	7.	6.9925			6.5457
TS=TD			0			0			0
Comments									
AGR Number									

Comments To Post

Korea: Import Trade Matrix of Rice

Import Trade Matrix

Country Korea, Republic of

Commo Rice, Milled

Time Period	Jan/Dec	Units:	1,000MT
Imports for:	2007		**2008**
U.S.	65	U.S.	77
Others		Others	
China	145	China	148
Thailand	32	Thailand	57
Total for Oth	177		205
Others not L	0		0
Grand Total	242		282

Korea: Farm Gate Price Index of Non-Glutinous Rice (2005=100)		
Year and Months	Price Index	
2000	111.6	
2001	108.8	
2002	106.0	
2003	110.4	
2004	110.8	
2005	100.0	
2006	95.8	
2007	98.7	
2008	104.0	
Quarterly	**2007**	**2008**

First	97.7	100.4
Second	98.9	103.1
Third	99.2	105.1
Fourth	98.8	105.6

Source: National Statistical Office (NSO)

Korea: Monthly Wholesale Price of Milled Rice
(High Quality)

Month\Year	CY 2007		CY 2008		CY 2009	
	Won/Kg	US$/Kg	Won/Kg	US$/Kg	Won/Kg	US$/Kg
January	1,850	1.97	1,969	2.09	2,060	1.53
February	1,873	2.00	1,993	2.11	2,051	1.43
March	1,918	2.03	2,000	2.04	2,048	1.40
April	1,942	2.09	2,000	2.04	2,040	1.53
May	1,964	2.12	2,010	1.95	na	na
June	1,980	2.16	2,058	2.00	na	na
July	1,980	2.12	2,076	2.04	na	na
August	1,980	2.12	2,100	2.02	na	na
September	1,966	2.11	2,100	1.86	na	na
October	1,912	2.09	2,021	1.53	na	na
November	1,891	2.06	2,020	1.46	na	na
December	1,934	2.08	2,030	1.48	na	na
Average	1,932	2.08	2,032	1.85	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Korea: Monthly Retail Price of Milled Rice
(High Quality)

Month\Year	CY 2007		CY 2008		CY 2008	
	Won/Kg	US$/Kg	Won/Kg	US$/Kg	Won/Kg	US$/Kg
January	2,167	2.31	2,174	2.31	2,302	1.71
February	2,170	2.32	2,182	2.31	2,299	1.61
March	2,176	2.31	2,201	2.25	2,298	1.58
April	2,171	2.33	2,210	2.25	2,287	1.72
May	2,175	2.35	2,233	2.16	na	na
June	2,184	2.35	2,258	2.19	na	na
July	2,188	2.38	2,272	2.24	na	na
August	2,185	2.34	2,273	2.18	na	na
September	2,186	2.35	2,289	2.03	na	na
October	2,153	2.35	2,269	1.72	na	na
November	2,153	2.35	2,317	1.67	na	na
December	2,163	2.33	2,318	1.69	na	na
Average	2,172	2.34	2,251	2.05	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Korea: Allocation of the MMA for 2005-2014
(MT, Milled rice)

Calendar Year	Total	Global Quota	Country Specific Quota (CSQs)				
			Total	USA	China	Thailand	Australia
2005	225,575	20,347a/	205,228	50,076	116,159	29,963	9,030
2006	245,922	49,724b/	196,198	50,076	116,159	29,963	c/
2007	266,270	70,072d/	196,198	50,076	116,159	29,963	c/
2008	286,617	90,419e/	196,198	50,076	116,159	29,963	c/
2009	306,964	101,736	205,228	50,076	116,159	29,963	9,030
2010	327,311	122,083	205,228	50,076	116,159	29,963	9,030
2011	347,658	142,430	205,228	50,076	116,159	29,963	9,030
2012	368,006	162,778	205,228	50,076	116,159	29,963	9,030
2013	388,353	183,125	205,228	50,076	116,159	29,963	9,030
2014	408,700	203,472	205,228	50,076	116,159	29,963	9,030

Source: MIFAFF and Korea Agro-Fishery Trade Corporation (aT)

a/ Global quota allocations: United States 6,104 MT; China 11,191 MT; and Thailand 3,052 MT.

b/ Global quota allocations: United States 13,025 MT; China 23,080 MT; and Thailand 13,619 MT.

c/ Australia CSQ allocation converted to MFN due inability to fulfill quota due to drought conditions.

d/ Global quota allocations: United States 21,643MT; China 32,352MT; and Thailand 16,077 MT.

e/ Global quota allocations: United States 19,534MT; China 35,126MT; and Thailand 35,759 MT.

Korea: Import Schedule of Table Rice
(MT, Milled Rice)

Calendar Year	Total	Table Purpose	Rate of Table Rice (%)
2005	225,575	22,557	10
2006	245,922	34,429	14
2007	266,270	47,928	18
2008	286,617	63,055	22
2009	306,964	79,810	26
2010	327,311	98,193	30
2011	347,658	104,297	30
2012	368,006	110,401	30
2013	388,353	116,505	30
2014	408,700	122,610	30

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF)

Korea: Rice allocation per Country on the buying tender under MMA
(Milled basis, MT)

Calendar Year	MMA Quota	U.S.A.	China	Thailand	India	Vietnam	Australia
1995	51,307	0	0	0	51,307	0	0
1996	64,134	0	64,134	0	0	0	0
1997	76,961	0	58,961	18,000	0	0	0
1998	89,787	0	83,487	6,300	0	0	0
1999	102,614	0	80,114	13,500	0	9,000	0
2000	102,614	0	84,614	18,000	0	0	0

2001	128,268	27,000	63,000	18,000	0	0	20,268
2002	153,921	36,000	95,421	22,500	0	0	0
2003	179,575	49,500	103,075	27,000	0	0	0
2004	205,228	58,500	117,028	29,700	0	0	0
2005	225,575	56,179	127,351	33,015	0	0	9,030
2006	245,922	63,101	145,343	37,478	0	0	0
2007	266,270	71,719	148,511	46,040a/	0	0	0
2008	286,617	69,610	151,285	65,722	0	0	0
Total	2,178,793	431,609	1,322,324	335,255	51,307	9,000	29,298

Source: FAS/Seoul

a/ Thai suppliers delivered only 8,470 MT of the total contracted amount

Korea: Foreign Exchange Rate (Korean Won against US$)		
Month	2008	2009
January	941	1,345
February	944	1,430
March	979	1,458
April	985	1,333
May	1,033	
June	1,030	
July	1,016	
August	1,042	
September	1,130	
October	1,322	
November	1,385	
December	1,374	
Average	1,098	